

Debtors' Statement of Disputed Issues

EXHIBIT A

DELPHI



May 13, 2004

Mr. Stewart Taylor
Mr. Mark Kuess
Celestica
Via email: staylor@celestica.com
mkuess@celestica.com

Dear Stewart and Mark,

Delphi Product and Service Solutions is pleased to inform you of our decision to select Celestica as our supply partner for the development and manufacturing of the Matchbox personal portable device for use with the Delphi Roady 2 platform. Please consider this letter as your authorization to begin with the development of the product per your proposal dated 04/21/04.

Terms and conditions of this award will be governed by a formal DPSS purchase order to be issued at a later date. In addition to these terms, the program assumptions sheet attached to this document will also apply.

It is our expectation that Celestica will be available for a formal product kick off on May 18th and 19th. The intent of this meeting is to exchange as much information that we can regarding the technical issues associated with the product and to review the commercial relationship as well. We will also discuss the overall program timing and explain in more detail the exact supply chain for this product.

We have a great deal of work to accomplish in order to achieve the timing required for this program. This product must be flawlessly launched into the market place by September 1, 2004. We will need to work closely over the next several months to be sure that we are successful. We are confident that Celestica is a solid choice as our partner for this program.

Please pass along our thanks and congratulations to your team for the work that has gone into the program to date. We are excited to have Celestica as a partner on this unique and important product, and we look forward to a successful product development and launch.

Please contact me with any questions regarding this authorization.

Sincerely,

A handwritten signature in black ink, appearing to read "Paul G. Pollack".

Paul G. Pollack
Global Supply Management
Delphi Product and Service Solutions

Cc: F. Hirschenberger
J. Palmer

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<u>Program Requirements</u>	
Consumer Electronics Product	
Product	<ul style="list-style-type: none"> Product and Service Solutions Electronics
Product labeling	<ul style="list-style-type: none"> Label design to be provided. Label printing to be included in product price. Label must be color qualified and approved by Delphi.
Part Numbers	<ul style="list-style-type: none"> Delphi Product and Service Solutions Cataloging, UPC, and Package Number will be provided.
Country of Origin and HTS code	<ul style="list-style-type: none"> Supplier will be responsible to provide country of origin and HTS (Harmonized tariff System code) with quotation. Complete country of origin and HTS documentation will be required on an annual basis by Delphi upon award of business.
Covisint Membership	<ul style="list-style-type: none"> Supplier acknowledges that as a condition of any program award membership to the Delphi supplier web portal hosted through Covisint is required. Covisint membership will allow supplier to access product quality concerns, payment status, supplier suggestions and other useful information. Further details can be obtained from you buyer. http://www.covisint.com/
ECCN information	<ul style="list-style-type: none"> Supplier must provide the 5 character product Export Control Classification Number (ECCN) with quote. The provision of this information is required before product can be awarded.
Packaging	<ul style="list-style-type: none"> Graphics layout and design will be provided. Cost of printing should be included in the product price. Packaging should (typically) be at the same spec as that used by Supplier Please visit https://www.brandwizard.net/delphi using the user name "packaging" password "delphiauto" for detailed packaging information
Catalog	<ul style="list-style-type: none"> Printing <i>should not</i> be included in pricing.
Delivery	<ul style="list-style-type: none"> Shipping terms of Ex Works, Title Transfer Our Plant
Volumes	<ul style="list-style-type: none"> Volumes are estimates and cannot be guaranteed by Delphi Product and Service Solutions
Min. Order Quantities and Lead Times	<ul style="list-style-type: none"> Supplier will detail order quantity and lead-time assumptions.
Timing	<ul style="list-style-type: none"> Supplier and Delphi Product and Service Solutions to establish a mutually agreeable implementation schedule.
Warranty	<ul style="list-style-type: none"> One year from date of end customer sale
Systems	<ul style="list-style-type: none"> Supplier agrees to implement appropriate EDI communication for transmittal of purchase orders, releases and ASNs.
Payment terms	<ul style="list-style-type: none"> MNS2-3, Second day of third month from receipt of goods in Delphi Warehouse.

From: Paul G. Pollack
Paul.Pollack@Delphi.com
Delphi Product and Service
Solutions
1441 West Long Lake
Troy, MI 48068

I have read, understand and accept all Delphi Terms & Conditions.

Due Date: 04/21/04

Comments: Provide initial quote estimate using the attached price breakdown for each of the major components. Your prompt response is critical to the success of this program. Supplier will be a development partner as well as the manufacturing source.

Date: _____

NRE Breakdown

Design NRE	\$177,000
Mechanical (6-8 Weeks X 2)	
RF/ EE (10 weeks)	
Layout (6 weeks)	
Technician (4 weeks)	
Software (5 weeks)	
Project Management for duration of project	
TOOLING	\$75,000
Main Body / 2 pieces	
Headset / 4 Pieces (Could be up to 6 pieces)	
BOM	\$45.20
BOM Cost to Delphi Target (Built in China or Mexico - Close to US in important)	
Custom Development (SWAG with outside vendor - discussions in progress)	\$40,000
Battery (\$30 to \$60 K)	
Custom Connector and Cable (swag) \$10 to \$40K	
Other costs (Estimate)	\$15,000
FCC and Regulatory Lab certification	

Preliminary BOM For the Matchbox Unit (Celestica)									
Item No	Items / board	ITEM	Ordering Part #	Description	Manufacturer	Estimated Cost			
						Battery	Chassis	Headset	Others
1	1	Battery	TBD	Lithium ION Battery 3.7V, 3Ah, standard cellphone type	BYD/Sanyo/Panasonic	\$9.00			
2	1	LCD	TBD	LCD Display 27X18mm, monochrome	Several		\$3.50		
3	1	IC	TBD	Battery Charger Circuitry same as cellphone type	Linear/Maxim/National/TI		\$2.00		
4	1	IC	TBD	DC-DC Boost Converter 3.7 to 6V, 400mA	Linear/Maxim/National/TI		\$1.50		
5	1	IC	P89LPC932BDH or CPR120S	Micro-Controller W/Flash P89LPC932BDH	Several		\$2.00		
6	1	IC	TEA5757	AM/FM radio IC with supporting components, Philips	Several		\$4.00		
7	1	Mechanicals	TBD	Matchbox plastic parts, connectors, buttons	Celestica		\$5.00		
8	1	PCB	TBD	FR4 PCB	Celestica		\$1.20		
9	1	Cable/Connectors	TBD	Cable with connector between headset and Matchbox	TBD			\$2.50	
10	1	AMP	TBD	Audio Amp/Switch	Maxim/TI		\$0.60		
11	1	Mechanicals	TBD	Headset Mechanicals	Several			\$5.00	
12	1	Electrical	TBD	Headset Electricals	Several			\$2.00	
13	1	Package/Manuals		Blister pack, 4 color manual	Celestica				\$1.00
14	1	AC/DC adapter	TBD	110V/6V	TBD				\$1.50
15	1	Electrical	TBD	Antenna/LNA	Delphi			\$4.40	
Total						\$9.00	\$19.80	\$13.90	\$2.50

\$45.20

Matchbox LCD brief:

- 1) The target visible window size for the Matchbox LCD is (WxL) 28 mm x 15 mm.
- 2) Functions are as follows:
 - a) Static indication of mode (AM, FM, XM).
This can be satisfied with 2 static characters or icons.
The minimum size of the indication is 3 mm x 3 mm.
 - b) Display of FM or AM frequency w/ FM decimal point (3.5 characters).
The minimum character size is 7.5 mm (w/ appropriate aspect ratio).
 - c) A battery indicator with a minimum of 5 graduated level indicators.
 - d) A volume indicator. This can be performed using 1 of 3 methods:
 - i) graphical, with a minimum of 13 graduated level indicators.
 - ii) A static volume number represented using 6 characters ("VOL 13" for example)
 - iii) A volume number represented using the frequency display characters. This would display the volume number only when the volume control is actuated by the user, timing out when the user stops actuating the volume control for more than 3 seconds.
- 3) White LED backlighting is required.
- 4) Custom LCD solutions may include 8 weeks of effort and approx \$50K NRE